

DESK REVIEW FOR 2004-2005 AUDITS OF SCHOOL DISTRICTS  
(WHEN NO SINGLE AUDIT IS REQUIRED)

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SCHOOL CODE:		SCHOOL DISTRICT:					
AUDIT FIRM:					DATE REVIEW STARTED:		
AUDIT ACCEPT: A AR S SI		QCR BOA DATE:		N/A		DATE REVIEW COMPLETED:	
DATE F/S REC'D:		RECEIVED MANAGEMENT LETTER Y N				AUDITOR:	
Condition F,RC,NC,II	To:	Date of Follow-up	Date Response Received	Amount Question Costs	Amount Received	Condition Resolved Y N P	Second Request Date
NOTES:				SUBMITTED ELECTRONICALLY ____			
RPT		MGMT CO		AUTHORIZER			

I. Schedule of Findings and Questioned Costs:

1. Number of Findings Current Year? \_\_\_\_\_  
 Number of Findings Prior Year? \_\_\_\_\_  
 Questioned Costs Per Audit? \$ \_\_\_\_\_  
 Status of Prior Year Findings Included? Y N/A      Check last year's desk review Y N/A
2. Internal Control Weaknesses  
 A. Reportable Conditions \_\_\_\_\_      C. Material Noncompliance \_\_\_\_\_  
 B. Material Weaknesses \_\_\_\_\_      D. Nonreportable Conditions \_\_\_\_\_
3. Is the school district's response required? Yes \_\_\_\_ No \_\_\_\_  
 If yes, is response included in the report? Yes \_\_\_\_ No \_\_\_\_  
 Acceptable? Yes \_\_\_\_ No \_\_\_\_ Follow Up Action (Use schedule above)

II. Financial Statements:

1. Notes/reports disclose questioned/unsupported costs material or significant to the financial statements  
 Yes \_\_\_\_ No \_\_\_\_ If yes, are they reflected appropriately in notes and reports? Yes \_\_\_\_ No \_\_\_\_  
 If no, reference and identify.
2. Material/significant violations of finance - related legal and contractual provisions (deficit(s), excess of expenditures over appropriations in individual funds, etc.)) Yes \_\_\_\_ No \_\_\_\_ Reference and identify, if not appropriately reflected in the notes, reports and schedules.  
*Line items:*  
 A. Transfer from School Service Fund to General Fund? If so, reference and identify – is it allowable?  
 B. Was the GASB #34 Reporting Model used for this school? Yes \_\_\_\_ No \_\_\_\_ MD&A \_\_\_\_ Gov't wide F/S \_\_\_\_
3. Financial statement presentation and note disclosures:  
 A. Complete and comply with GAAP? Yes \_\_\_\_ No \_\_\_\_  
 B. Balance Sheet contains required funds? Yes \_\_\_\_ No \_\_\_\_  
 C. Balance Sheet contains accrued liabilities? Yes \_\_\_\_ No \_\_\_\_
4. Comparison of General Fund balance between audit and FID  
 - Per FID \$ \_\_\_\_\_  
 If fund deficit, when was DEP approved? \_\_\_\_\_ - Per Audit \$ \_\_\_\_\_

III. Review of Reports and Schedules:

1. Auditor's opinion on the financial statements:

☐  
Unqualified

☐  
Qualified

☐  
Adverse

☐  
Disclaimer of Opinion

2. Opinion or explanatory information has material or significant effect on the financial statements.  
Yes \_\_\_ No \_\_\_ If yes, reference and explain.

3. REPORTS: Mark "X" for the acceptable, make notes for follow-up.

Acceptable

( ) Auditor's Report on the Financial Statements

( ) Compliance Report Based on the Examination  
of the Basic Financial Statements

( ) Report on Internal Controls Related to the  
Financial Statements

( ) Other reports--fraud, abuse or illegal act is  
Discovered or suspected (N/A)

All applicable reports are included and acceptable Yes \_\_\_\_\_ No \_\_\_\_\_

4. SCHEDULES: Mark "X" for the acceptable, make notes for follow-up.

Acceptable

( ) A. Schedule of Findings & Questioned Costs (N/A)

( ) (1) Presentation of findings

( ) (2) Corrective action plan and comments on  
auditor's findings and recommendations

( ) (3) Recommendations and comments of the auditor  
On prior year findings (N/A)

( ) (4) Status of prior year findings (N/A)

5. LEVEL OF FEDERAL FUNDING: (per MDE records and ISD Pass through Schedule)

( )	Under \$500,000	<u>R7120</u>	<u>F/S</u>
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( ) \$500,000 or more (if so, request the submission of a Single Audit)

IV. Conclusion: In my opinion, the report is:

( ) Acceptable

( ) Acceptable with Reservation

( ) Substandard

( ) Significantly inadequate

( ) A quality control review should be scheduled. (Reasons for QCR recommendation.)

Signature \_\_\_\_\_ Date Review Completed \_\_\_\_\_

## COMMUNICATION SECTION

DATE:

DESCRIPTION

## FOLLOW-UP

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and extend across the width of the page. There are no margins, text, or other markings on the paper.

## DEFINITIONS FOR CONCLUSIONS ON THE DESK REVIEW FORM

Acceptable - The report is usable without change or with minor changes. The report generally meets the objectives of the audit and needs of the users. The auditor has substantially complied with State and Federal requirements and professional standards. Examples include (1) the report does not identify intended users, (2) the schedule of federal financial assistance includes erroneous project numbers, (3) a report letter includes items that are not applicable and (4) footnotes are missing.

Acceptable with Reservation - The report is acceptable or usable by MDE with additional explanations or assurances from the auditor. The audit is not in complete compliance with State or Federal requirements or professional standards, however, the auditor has committed to making the corrections in the subsequent audit. Errors do not have a significant impact on the audit for most users, therefore, revised reports are not required. Examples include (1) the Schedule of Federal Financial Assistance does not have additional columns as required by the Manual, (2) the report is lacking a schedule of Federal Financial Assistance provided to subrecipients and (3) the subsequent audit is being done and the auditors have corrected the problem.

Substandard - The report/audit requires major changes. It requires correction and reissuance of one or more report letters or schedules. The deficiencies diminish the reliability and usability of the report. Examples of these types of deficiencies include (1) failure to identify the categories of internal control, (2) insufficient information in audit findings, (3) programs not tested, (4) significant violation of the 50% rule and (5) report is missing.

Significantly Inadequate - The report contains deficiencies that make the audit report unusable for fulfilling one or more objectives of the audit. The deficiencies are material and pervasive in nature. The deficiencies are identified with several report components. Examples of this type of deficiency include (1) the lack of a required report component and failure to provide it to the Department upon request, and (2) the auditor or audit organization does not meet the qualification standard.